

Message Text

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ACTION EB-08

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SP-02 ICA-11 AGRE-00 AID-05 CIAE-00 COME-00
INR-10 LAB-04 NSAE-00 OIC-02 SIL-01 STR-07
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E.O. 11652: N/A
TAGS: UNCTAD
SUBJECT: UNCTAD: IGG ON LEAST DEVELOPED COUNTRIES (LLDCS)

REFERENCE: GENEVA 9551

FOR LAUFER (AID/PPC)

1. SECRETARIAT HAS JUST COMPLETED ISSUES PAPER FOR MEETING
(TD/B/AC/17/7) WHICH WAS SENT TO DR. LAUFER (AID/PPC) BY
AIR POUCH JULY 10. FOLLOWING ARE MAIN POINTS AND QUESTIONS
RAISED IN PAPER ON WHICH DELEGATION SHOULD BE PREPARED TO
RESPOND AT THE MEETING:

A) PAPER STATES THAT SIX DAC MEMBER COUNTRIES
(INCLUDING US) RECORDED DECLINES IN REAL BILATERAL ODA
FLOWS TO LLDCS BETWEEN 1972 AND 1976, AND SUGGESTS THAT
GROUP CONSIDER WAYS TO REVERSE THIS TREND BY INCREASING
ASSISTANCE FLOWS TO LLDCS.

B) PAPER SUGGESTS THAT AUTOMATIC ASSISTANCE TRANSFERS
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BE DEVISED TO MEET LLDC NEEDS--ESPECIALLY FOR PROGRAMS TO
COMBAT POVERTY AND IMPROVE SOCIAL INFRASTRUCTURE--POSSIBLY
THROUGH EARMARKING CERTAIN TAX AND TARIFF RECEIPTS IN DCS
FOR SUCH PROGRAMS.

C) PAPER INVITES DONORS TO INDICATE WHAT STEPS THEY
HAVE TAKEN TO IMPLEMENT DEBT RESOLUTION PASSED AT TDB

MINISTERIAL IN MARCH 1978.

D) PAPER SUGGESTS THAT DONORS WHICH HAVE NOT DONE SO
TAKE STEPS

- TO MOVE TOWARD A "100 PERCENT GRANT" POLICE
- TOWARD UNTYING
- TO TAKE ACCOUNT OF THE EFFECTS OF INFLATION ON THE
TOTAL COSTS OF PROJECTS AND PROGRAMS
- TO EXPAND AVAILABILITY OF LOCAL COST FINANCING
- TO SPEED UP DISBURSEMENTS
- TO IMPROVE THE QUALITY OF TECHNICAL ASSISTANCE
EXPERTS

E) PAPER ESTIMATES THAT BETWEEN ONE-QUARTER AND ONE-
THIRD OF PRESENT IMPORTS FROM LLDCS ARE SUBJECT TO TARIFF
OR NON-TARIFF BARRIERS AND SUGGESTS THAT DCS CONSIDER
REMOVING REMAINING TARIFFS AND NTBS ON IMPORTS FROM LLDCS.

F) STATING THAT LITTLE PROGRESS, IF ANY, HAS BEEN
MADE IN DEALING WITH LLDC PROBLEMS IN THE MTN, PAPER POINTS
OUT THAT LOME CONVENTION HAS HELPED NUMBER OF LLDCS AND
SUGGESTS THAT THE US, JAPAN AND OTHER DCS ACCORD LOME-STYLE
BENEFITS TO ALL LLDCS.

G) PAPER SUGGESTS THAT DCS MIGHT HELP LLDCS EXPAND
EXPORTS BY WAIVING QUOTAS OR TARIFF BARRIERS ON AN AD HOC
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BASIS TO ENCOURAGE GROWTH OF CERTAIN PROMISING EXPORTS FROM
LLDCS.

2. THE PAPER ALSO RECOMMENDS THAT UNCTAD'S TECHNICAL ASSIS-
TANCE PROGRAM (OR "ADVISORY SERVICES") TO THE LLDCS BE GIV-
EN A STRONGER FINANCIAL FOUNDATION. DIRECTOR JACK STONE
TOLD MISSION OFFICER THAT SECRETARIAT HOPES GROUP WILL
ENDORSE UNCTAD'S ADVISORY SERVICES TO LLDCS, AND THAT IT
WILL BE POSSIBLE TO OBTAIN ASSURED AND STEADY FINANCIAL
SUPPORT FOR THESE ACTIVITIES IN THE FUTURE FROM THE UNDP
AND BILATERAL DONORS. OTHERWISE, STONE SAID, THE SECRE-
TARIAT MAY TRY AT UNCTAD V TO GET GOVERNMENTS TO AGREE TO
SUPPORT THESE ACTIVITIES THROUGH THE UNCTAD REGULAR BUDGET.

3. PAPER ALSO SUGGESTS THAT UNCTAD SECRETARIAT UNDERTAKE
SERIES OF STUDIES TO BE CONSIDERED BY AN UNCTAD EXPERT
GROUP LATE IN 1979. STUDIES WOULD A) ASSESS OVERALL ASSIS-
TANCE REQUIREMENTS OF LLDCS, B) ASSESS THEIR RESOURCE,
PRODUCTION AND EXPORT POTENTIALS AND BOTTLENECKS PREVENTING
DEVELOPMENT OF THESE POTENTIALS; C) ASSESS NEW POTENTIALS
FOR LLDCS THROUGH REGIONAL COOPERATION AGREEMENTS;
D) INCLUDE SECTORAL STUDIES AND PROPOSALS FOR SPECIAL

MEASURES TO BE ADOPTED BY INTERNATIONAL COMMUNITY AND
E) ASSESS EFFECTIVENESS OF EXISTING SPECIAL MEASURES AND
ANALYZE PROPOSALS FOR NEW MEASURES TO ASSIST LLDCS.

4. TWO ADDITIONAL DOCUMENTS--THE ANNOTATED AGENDA (TD/B/AC-
17/6/ADD.1) AND ECOSOC DOC E/1978/86--WERE SENT TO DR.
LAUFER LAST WEEK.

5. WITH RESPECT TO TDB DEBT RESOLUTION (MENTIONED IN PARA
1(C), USDEL MIGHT WISH TO NOTE THAT THE MINISTERIAL TDB
RECOMMENDED THAT MEASURES TAKEN IN PURSUANCE OF THE
RESOLUTION BE REVIEWED AT UNCTAD V. THEREFORE IT WOULD BE
PREMATURE FOR COUNTRIES TO UNDERTAKE SUCH A REVIEW AT THE
IGG. VANDEN HEUVEL

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